

URBANIC NETHERLANDS II CV



Rotterdam



Den Haag



Amsterdam

SEMI-ANNUAL REPORT [unaudited by external auditor]

2023

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1. Company details

The Fund

Urbanic Netherlands II C.V.
Amsteldijk 131-H
1078 RT Amsterdam
The Netherlands

Managing Partner

Urbanic Netherlands II B.V.
Amsteldijk 131-H
1078 RT Amsterdam
The Netherlands

Fund Manager

Urbanic B.V.
Amsteldijk 131-H
1078 RT Amsterdam
The Netherlands

Fund Custodian

Stichting Urbanic Netherlands II
Amsteldijk 131-H
1078 RT Amsterdam
The Netherlands

Depositary

Vistra Depositary Services B.V.
Herikerbergweg 82
1101 CM Amsterdam
The Netherlands

Fund Administrator

Voorn & Zijp Administratie en Fiscaaladvies B.V.
Noordeinde 128-F
1121 AL Landsmeer
The Netherlands

Property Manager

FLINQ Vastgoed B.V.
Amsteldijk 131-H
1078 RT Amsterdam
The Netherlands

Auditors

Vanhier Audit Services BV
Pieter Ghijsenlaan 24C
1506 PV Zaandam
The Netherlands

2. Semi-annual financial statements

3.1 Balance sheet on 30 June 2023 after result appropriation

Assets	Note	30-06-2023	31-12-2022	Equity and liabilities	Note	30-06-2023	31-12-2022
Fixed assets				Fund equity	3.4.4		
<i>Intangible fixed assets</i>				Capital called	3.4.5	12,150,000	12,150,000
Set up costs	3.4.1	2,319	3,524	Legal reserve		2,319	3,524
<i>Tangible fixed assets</i>				Distributions		-300,000	-
Property investments	3.4.2	37,951,010	37,812,862	Total net profits		<u>2,725,252</u>	<u>2,119,742</u>
					3.4.6	14,577,571	14,273,266
				Provisions		42,547	45,291
				Long-term liabilities	3.4.7		
Total fixed assets		<u>37,953,329</u>	<u>37,816,386</u>	Bank loans (fixed interest)		23,677,533	24,111,183
				Bank loans (variable interest)		-	-
Current assets				Short-term liabilities			
Inventory	3.4.3	480,781	602,094	Creditors		144,490	104,115
Debtors		7,215	7,655	Bank loan repayments			
Receivables		66,348	65,396	- loans fixed interest rate	3.4.7	576,000	576,000
				- loans variable interest rate		-	-
				Accrued interest bank loans			
Cash and cash equivalents				- fixed interest		161,743	164,662
Bank		1,262,424	1,352,327	- variable interest		-	-
				Deposits tenants		434,847	422,162
				Rental prepayments		155,366	147,179
Total assets		<u>39,770,097</u>	<u>39,843,858</u>	Total equity and liabilities		<u>39,770,097</u>	<u>39,843,858</u>

3.2 Profit and loss account

	2023 1 january – 30 june 2023	2022 1 january – 30 june 2022
Income		
Gross rental income	1,283,693	1,159,962
Other income	31,687	3,025
Total income	1,315,380	1,162,987
Expenses		
Interest and other finance expenses	-338,922	-350,479
Direct real estate costs	-214,059	-213,964
Fund expenses	-37,633	-39,837
Fund manager fee	-119,256	-119,167
Amortization set-up expenses	-1,205	-1,204
Total expenses	-711,075	-724,651
Result before tax	604,305	438,336
Taxation	-	-
Net income	<u>604,305</u>	<u>438,336</u>

3.3 Balance sheet disclosures

The semi- annual report has been drawn up in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code. The same principles for the valuation of assets and liabilities and determination of results are used as in the financial statements.

All financial information is presented in Euro's unless otherwise indicated.

3.4 Notes to the financial statements (balance sheet)

3.4.1 Set-up expenses

The movements in the set-up costs during the reporting period can be specified as follows:

	2023		2022	
	€	€	€	€
Book value on 1 January	3,524		5,932	
Amendments	-		-	
Amortizations book year	<u>-1,205</u>		<u>-2,408</u>	
Book value 31 December		<u>2,319</u>		<u>3,524</u>
Accumulated set up expenses	12,063		12,063	
Accumulated amortizations	<u>-9,744</u>		<u>-8,539</u>	
Book value on 30 June / 31 December		<u>2,319</u>		<u>3,524</u>

3.4.2 Property investments

The movements in property investments during the reporting period can be specified as follows:

	2023		2022	
	€	€	€	€
Value on 1 January	37,812,862		36,528,018	
Investments	-		-11,905	
Renovations & capitalized costs	138,148		1,290,802	
Asset Management Services fees	-		4,303	
Construction guidance fees (i)	<u>-</u>		<u>1,644</u>	
Value on 30 June / 31 December		<u>37,951,010</u>		<u>37,812,862</u>

(i) Construction Guidance Fees are fees charged under an outsourcing agreement with the real estate service provider.

The General Partner of the Investment fund is of the opinion that the expected useful life of the property portfolio is infinite, no depreciations are taken into account until a change of viewpoint.

Stichting Urbanic Netherlands II ('Stichting Urb. NL II') holds the legal title to the property investments economically owned by Urbanic Netherlands II C.V.

Urbanic Netherlands II CV invests in 52 properties, consisting of 105 rentable units, which are rented to young professionals (95 units) and entrepreneurs (10 units) located in Rotterdam.

The book value on 30 June 2023 concerns the acquisition value of the property and the capitalised construction costs up to 30 June 2023.

3.4.3 Inventory

The real estate portfolio includes some properties for which it was decided that it will no longer be used as investment property. The movement in non-strategic properties during the reporting period can be specified as follows:

	2023		2022	
	€	€	€	€
Value on 1 January	602,094		459,993	
Investments	-		142,101	
Renovations & capitalized costs				
Disposals	<u>-121,313</u>			
Value on 30 June / 31 December		<u>480,781</u>		<u>602,094</u>

3.4.4 Fund equity

The total Capital Commitment of the Limited Partners is € 12,150,000.

	Capital contributions	Legal reserve	Distributions	Total net profits	Total
	€	€	€	€	€
Balance on 31 December 2022	12,150,000	3,524	-	2,119,742	14,273,266
Capital contributions	-	-	-	-	-
Distributions	-	-	-	-	-
Movement in the year	-	-1,205	-300,000	1,205	-300,000
Result for the period	-	-	-	604,305	604,305
Balance on 30 June 2023	<u>12,150,000</u>	<u>2,319</u>	<u>-300,000</u>	<u>2,725,252</u>	<u>14,577,571</u>

Early August the fund will make a preliminary distribution of € 150,000 from the 2023 results.

3.4.5 Participations in fund equity

	2023	2022
	1-1 / 30-6	1-1 / 31-12
	€	€
Participation capital	12,150,000	12,150,000
Capital calls	-	-
Participation capital	<u>12,150,000</u>	<u>12,150,000</u>
Capital commitment	12,150,000	12,150,000
Capital calls	12,150,000	12,150,000
Uncalled capital	<u>-</u>	<u>-</u>

3.4.6 Intrinsic value

Urbanic Netherlands II C.V. is a so-called Dutch closed-end investment fund. Participations are non-tradable on the free market; a transfer is solely allowed with the approval of all other participants. In view of this the investment fund is transparent for Dutch corporate tax purposes.

The intrinsic value and net profit per participant are shown below.

	2023	2022
	30-6	31-12
	€	€
Intrinsic value 30 June/31 December	14,577,571	14,273,266
Participations fund	121.5	121.5
Nominal value participation	100,000	100,000
Intrinsic value per participation as per 30 June / 31 December	119,980	117,475
	1-1 / 30-6	1-1 / 31-12
	€	€
Commercial profit	604,305	1,045,135
Commercial profit per participation	4,974	8,602

3.4.7 Long term liabilities

The fund received mortgage loans from ING Real Estate, which have fixed interest rates. As per the reporting date the long-term liabilities can be specified as follows:

	2023		
	Principal (€)	Long-term	Short-term
Fixed interest rate	24,323,450	23,747,450	576,000
Variable interest rate	-	-	-
Commissions mortgage loans	-144,000	-144,000	-
Amortizations commissions	74,083	74,083	-
Total on 30 June	<u>24,253,533</u>	<u>23,677,533</u>	<u>576,000</u>

The movements in the long-term liabilities can be specified as follows:

	2022	2021
	€	€
Value on 1 January	24,111,183	24,663,885
Loans received	-	-
Repayments made	-445,300	-576,000
Loans short-term	-	-
Amortizations commissions	11,650	23,298
Value on 30 June / 31 December	<u>23,677,533</u>	<u>24,111,183</u>

Urbanic Netherlands II C.V. obtained loans from ING Bank N.V. The loans are secured by mortgage on its portfolio of properties and a lien on the rental income from the said properties. All loans mature on July 1, 2026 and carry a fixed interest rate varying from 2.50% to 2.8%.

The mortgage loan will become payable on demand when the underlying investment property has been sold.

Amsterdam, August 22, 2023

Managing Partner of Urbanic Netherlands II C.V.

Urbanic B.V.,
On its behalf A. Bakker, Director